

May 9, 2007

Via Facsimile: (212) 805-7901

The Honorable Harold Baer, Jr.
 United States District Judge
 United States District Court
 Southern District of New York
 500 Pearl Street, Chambers 2230
 New York, New York 10007

Re: SEC v. Ampudia - 07cv2762

Dear Judge Baer,

We trust all is well with you.

As you are aware, the Law Firm of Drummond & Crawford, PC represents Mr. Alexis Ampudia on the above captioned action. Please be advised that Mr. Ampudia has been Indicted on felony charges in the related criminal proceedings and will be arraigned on the Indictment on June 6, 2007 at which time a bail application will be made. As of today, and at least until June 6, 2007, Mr. Ampudia remains and will remain incarcerated.

As per your Honor's endorsement of the undersigned's last correspondence dated April 24, 2007 regarding the foregoing, we note that the initial PTC scheduled for May 24, 2007 will proceed as scheduled. The undersigned has discussed the foregoing with Ms. Szczepanik yesterday, May 8, 2007 and we will be having another conference call to go over the preliminary discovery schedule and outline for the May 24, 2007 conference on Friday, May 11, 2007. However, given the criminal Indictment and prosecution against Mr. Ampudia, we anticipate Mr. Ampudia pleading his Fifth Amendment right, at this stage of these proceedings, to the discovery requested of him, be it Interrogatories, deposition and/or production of documents specifically requested/demanded from Mr. Ampudia himself.

As such, we hereby renew our request that the above captioned matter be stayed during the pendency of the criminal action with only third party discovery/demand for documents by the SEC to be permitted with notice of any and all such demands/notices/subpoenas by the SEC to be served upon this office. Should this Honorable Court desire to conference the action with all parties to discuss the foregoing further on May 24, 2007 before making a decision as to our request for stay, we will be ready to discuss same at that time.

Thank you for your time and attention to this matter. Should you have any questions

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 HAROLD BAER
 U.S. DISTRICT JUDGE

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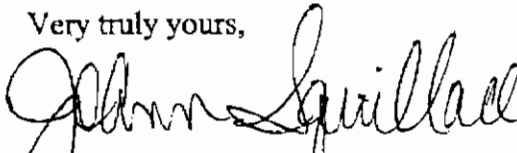
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regarding the foregoing, kindly contact the undersigned or Mr. Stephen L. Drummond.

Very truly yours,




JOANN SQUILLACE (JS 4217)

JS/js
Court-03

CC: (Via E-Mail) Valerie A. Szczepanik, Esq.

I will discuss the matter w/ all concerned at the 5/24/07 PTC - my view at the moment is that several the burden of proof is significantly heavier on the Criminal case than may be with the reason to go ahead now but as I'm sure you know if there is a Criminal conviction you have little chance to pursue in the Civil matter - but this is your call not obviously this is your call not mine.

SO ORDERED:


Harold Baer, Jr., U.S.D.J.

Date: 5/17/07

Endorsement:

I will discuss the matter with all concerned at the 5/24 PTC - my view at the moment is that since the burden of proof is significantly heavier in the criminal case there may be little reason to go ahead now but as I'm sure you know if there is a criminal conviction you have little chance to prevail in the civil matter but obviously this is your case not mine.